

MoneyPlus

*South Carolina Budget & Control Board
Employee Insurance Program*

2008



TAX-FAVORED ACCOUNTS GUIDE

Employee Benefits Resource Directory

Fringe Benefits Management Company

FBMC Customer Service
Mon - Fri, 7 a.m. - 10 p.m. ET
1-800-342-8017
www.myFBMC.com

MONEYPLU\$ Spending Accounts, Health Savings Accounts

Automated Services
24 hours a day
1-800-865-FBMC (3262)
www.myFBMC.com

Toll-Free claims submission

1-888-800-5217

EZ REIMBURSE® MasterCard® Card

Lost or Stolen Card

24 hours a day
1-800-689-0821 (Phone)

Submit Documentation

1-888-800-5217

Activation Line

24 hours a day
1-866-300-7624

Dispute Line

FBMC Customer Service
Mon - Fri, 7 a.m. - 10 p.m. ET
1-800-342-8017

National Bank of South Carolina

(Health Savings Accounts)
Customer Service
1-877-367-4HSA (4472)

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Important Dates to Remember

Your Annual Enrollment dates are:
October 1, 2007, through October 31, 2007.

Your Period of Coverage dates are:
January 1, 2008, through December 31, 2008.

What's New

- Some current EZ REIMBURSE® Card participants will be receiving new cards at the end of the 2007 Plan Year. Please see Page 14 for more information.
- There have been changes to the MONEYPLU\$ Health Savings Account contribution limits. Please refer to Page 9 for details.
- Fee changes have been implemented for the MONEYPLU\$ Health Savings Account banking fees, the EZ REIMBURSE® Card fees, as well as new administrative fees for the Medical and Dependent Care Spending Accounts and for the Pretax Group Insurance Premium feature. Please see these specific sections for details.
- A new toll-free fax line is available for MONEYPLU\$ Medical and Dependent Care claim submission. Please see those sections for information.

Important Enrollment Information

- Annual Enrollment is October 1, 2007, through October 31, 2007.
- Complete an Enrollment Form by October 31, 2007, to make changes to your current benefits.
- Your 2008 Plan Year is January 1, 2008, through December 31, 2008.
- Return your completed Enrollment Form to your benefits administrator.
- Remember to bring all necessary dependent and beneficiary information to your enrollment session.
- Many employees can go to Fringe Benefits Management Company's Web site at www.myFBMC.com to enroll. Employees who have a current Medical Spending Account and are re-enrolling for next year or adding a Dependent Care Account can enroll online. Current Dependent Care Account participants can also re-enroll online for Dependent Care accounts. For help with online enrollment, call FBMC Customer Service at 1-800-342-8017, Monday - Friday, 7 a.m. - 10 p.m. ET. If you are a new employee, or if you do not have a current Spending Account, you must see your benefits administrator for a MONEYPLU\$ enrollment form. If you wish to start, stop or change contributions to a Health Savings Account, you must complete a paper enrollment form.
- If you opt to receive the EZ REIMBURSE® MasterCard® Card by checking the appropriate box on your Enrollment Form, a \$10 non-refundable annual fee will be deducted from your account when the card is mailed to you. If you already have the card, you must re-enroll to continue using it. See Page 14 for details.
- For more information, contact Fringe Benefits Management Company (FBMC) Customer Service at 1-800-342-8017, Monday - Friday, 7 a.m. - 10 p.m. ET.

Making your benefits work for you – It's easy!

- Fringe Benefits Management Company (FBMC), your employee benefits administrator, along with your employer, offer you a wide selection of benefits to choose from during your Open Enrollment. FBMC specializes in tax-saving benefits administration, including MONEYPLU\$, which may save you a significant amount of your annual income.
- FBMC provides you with convenient ways to track your benefit transactions, including online review, telephone tracking and monthly statements.
- Before you sign up for MONEYPLU\$, review the guidelines and become familiar with how the program works and see how to save you and your family a significant amount in taxes. For more information, refer to the MONEYPLU\$ section beginning on Page 6 of this guide.
- Remember to submit your supporting documentation, billing statements or invoices, along with your EZ REIMBURSE® Card Transmittal Sheet, when using your EZ REIMBURSE® Card.
- Submit your supporting documentation and completed reimbursement request form (for paper claims) to FBMC for reimbursement processing. Once the plan year ends, you have a 90-day run-out period to submit your supporting documentation.
- You may visit FBMC's Web site at www.myFBMC.com for more information. You may also contact FBMC Customer Service at 1-800-342-8017.

Getting Answers

Getting answers to many of your benefit questions is easier than ever. FBMC Customer Service offers you a variety of ways to inquire about your benefits and MONEYPLU\$, including information from the FBMC Web site, Interactive Voice Response system or Customer Service.

FBMC Web Site

FBMC's Web site provides information regarding your benefits and comprehensive details on your MONEYPLU\$ accounts.

By entering **www.myFBMC.com** into your Internet browser, you will open FBMC's home page. Answers to many of your benefit questions can be obtained by using the navigational tabs located along the top of the home page. You'll be prompted to enter your Social Security Number (SSN) and Personal Identification Number (PIN). After this login, you can access the following benefit information.

Benefits

You may check your benefit status, read benefit descriptions, check out our tax calculator and much more.

Claims

Not only can you check the status of your claim, but you may also download forms, get more information about mailing and faxing your claim to FBMC or see transactions that need documentation.

Accounts

View your account balance and contributions. You may also view monthly statements and review your transaction history.

EZ REIMBURSE® MasterCard® Card

Download a card fact sheet or transmittal form, read detailed instructions on proper card use and open our pharmacy locator to maximize card convenience.

Profile

Change the e-mail address we have on file, complete your online registration or select a new PIN.

Resources

Browse our extensive resource library, including benefit materials, surveys, Over-the-Counter drug listings and benefit tips.

Forms

Download applicable forms to submit claims for reimbursement.

FBMC Interactive Benefits

FBMC's 24-hour automated phone system, Interactive Voice Response (IVR), can be reached by calling 1-800-865-FBMC (3262). This system allows you to access your benefits any time. By following the voice prompts, you can find out a great deal of information about your benefits.

- Current Account Balance(s)
- Claim Status
- Mailing Address Verification
- Obtain MONEYPLU\$ Reimbursement Request Claim Forms
- Change Your PIN

Personal Identification Number (PIN)

To access both the FBMC Web site and the Interactive Voice Response (IVR) system, all you need is your Social Security Number (SSN). The last four digits of your SSN will be your first PIN, whether using the Web site or the IVR system. After your initial login, you will be asked to register and select your own confidential PIN to access both systems in the future. Your new PIN cannot be the last four digits of your SSN, cannot be longer than eight digits and must be greater than zero.

Record PIN here.

Remember, this will be your PIN
for both Web and IVR access.

If you forget your PIN, click the "Need Help?" link for help or you may call Customer Service at **1-800-342-8017**.

Note: Please be sure to keep this guide in a safe, convenient place, and refer to it for benefit information.

Eligibility Requirements

Who is eligible?

You must be a full-time, permanent employee and must be **eligible for state health insurance benefits** to participate in MONEYPLU\$. However, you are not required to be enrolled in an insurance program in order to participate in MONEYPLU\$. Retirees are not eligible to participate in MONEYPLU\$.

Health Savings Account Eligibility

To participate in a **Health Savings Account**, you:

- must be covered by a high-deductible health plan, such as the State Health Plan Savings Plan.
- cannot be covered by any other type of health plan, including Medicare (you may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care) and
- cannot be claimed as a dependent on another person's tax return.

Refer to the MONEYPLU\$ Health Savings Account section. See Page 9 for more information.

Medical Spending Account Eligibility

To participate in a **Medical Spending Account**, you must have completed one year of continuous service by January 1 following an enrollment period. You must enroll each year during the October enrollment period for your account to become effective. If you elect to participate in the Health Savings Account, remember that you will only be allowed to enroll in a MONEYPLU\$ limited-use Medical Spending Account for eligible vision and dental expenses. See Page 12 for more information. For mid-year eligibility changes, see Page 19.

Dependent Care Spending Account Eligibility

You can enroll in a **Dependent Care Spending Account** within 31 days of the date you are hired. If you do not enroll at that time, you can only enroll during the October enrollment period for an account that becomes effective the following January 1. You must enroll each year during the enrollment period to continue your account the following plan year. A Dependent Care Spending Account is available to you if you also participate in the Health Savings Account.

You can also enroll in, or make changes to, your Spending Account(s) within 31 days of a change in family status. Changes during the year must be necessary and appropriate. All changes must be approved. (See the Changing Your Coverage section beginning on Page 19 for rules governing valid changes in status.)

Pre-Tax Group Insurance Premium Feature Eligibility

If you pay a health, dental or Optional Life premium, you are automatically enrolled on your Notice of Election (NOE) form in the **Pre-Tax Group Insurance Premium Feature**, unless you decline. If you decline to participate in the **Pre-Tax Group Insurance Premium Feature**, you can still enroll in it during the October enrollment period, or within 31 days of a change in family status as defined on Pages 19-20. If you enroll during the enrollment period, your benefit will become effective January 1 of the next benefits year. See Page 11 for more information.

How does termination or leave affect my Spending Account?

If you terminate employment or go on unpaid leave, your eligibility for either or both MONEYPLU\$ accounts will change. While your Dependent Care Spending Account cannot be continued following termination or the start of unpaid leave, you will be able to change or continue your Medical Spending Account election upon completion of the appropriate forms and requirements. To make this change or to continue coverage, contact FBMC Customer Service at 1-800-342-8017.

Specific guidelines about your employer's termination and leave policies can be obtained from your employer. In addition, the Family and Medical Leave Act (FMLA) may affect your rights to continue coverage while on leave. Please contact your employer for further information.

Appeal Process

If your request for a mid-plan-year election change, MONEYPLU\$ Spending Account reimbursement claim or other similar request denied, in full or in part, you have the right to appeal the decision by sending a written request within 30 days of the denial for review to FBMC.

Your appeal must include:

- the name of your employer
- the date of the services for which your request was denied
- a copy of the denied request
- the denial letter you received
- why you think your request should not have been denied and
- any additional documents, information or comments you think may have a bearing on your appeal.

Your appeal and its supporting documentation will be reviewed. You will be notified of the results of this review within 30 business days from receipt of your appeal. In unusual cases, such as when appeals require additional documentation, the review may take longer than 30 business days. If your appeal is approved, additional processing time is required to modify your benefit elections.

Note: Appeals are approved only if the extenuating circumstances and supporting documentation are within your employer's, insurance provider's and the IRS' regulations governing the plan.

You must be eligible for state group insurance benefits to participate in MONEYPLU\$. However, you are not required to be enrolled in an insurance program in order to participate in MONEYPLU\$.

MONEYPLUS

What is MONEYPLUS?

MONEYPLUS, administered by Fringe Benefits Management Company (FBMC), is a tax-favored account(s) program made available through Internal Revenue Service (IRS) Code Sections 105, 125, 129 and 223 to stretch your medical and dependent care dollars. With MONEYPLUS, you elect to contribute an annual amount from your salary to be deducted from your paycheck before taxes to pay for your eligible medical and dependent care expenses. As you incur eligible expenses during the plan year, you request reimbursement and get your money back fast!

MONEYPLUS features include:

- **Health Savings Accounts**, as described in the Health Savings Accounts section, beginning on Page 9.
- a **Pre-Tax Group Insurance Premium Feature**, allowing you to pay your State Health Plan, HMO, State Dental Plan, Dental Plus and Optional Life premiums with pre-tax dollars (See Page 11.)
- **Spending Accounts**
 - **Medical Spending Accounts**, allowing you to pay for eligible medical expenses with pre-tax dollars (See Page 12) and
 - **Dependent Care Accounts**, allowing you to pay for eligible dependent care expenses with pre-tax dollars (See Page 16.)

How much money will I save?

This example shows how paying for benefits with pre-tax dollars saves you money and increases your spendable income.

	Without MONEYPLUS	With MONEYPLUS
Gross Monthly Pay	\$2,500.00	\$2,500.00
State Retirement	-150.00	-150.00
Pretax Payroll Deduction*	-0.00	-613.00
Administrative Fee	-0.00	-7.28
Taxable Gross Income	\$2,350.00	\$1,729.72
Payroll Taxes	-696.78	-513.50
After-tax Expenses*	-613.00	-0.00
Spendable Income	\$1,040.22	\$1,216.22

Increase in spendable income: \$178.16

* For the purpose of this example only, monthly pre-tax payroll deductions and after-tax expenses are defined as the following:

Health Premium	\$159
Dental Premium	\$ 21
Dependent Care Expenses	\$400
Out-of-Pocket Medical Expenses	\$ 33
Total	\$613

Spendable income is considered the amount of your paycheck, plus the reimbursement from your MONEYPLUS Medical and/or Dependent Care Spending Accounts.

(Payroll taxes include 15% Federal, 7% state and 7.65% Social Security)

Is a Spending Account right for me?

If you can estimate eligible expenses during your plan year, you may save money by paying for them with a Spending Account. A portion of your salary is deposited into your Spending Account each pay period.

- You decide the amount you want deposited.
- You are reimbursed for eligible expenses with tax-free dollars.
- You save income and Social Security taxes each time you receive wages.
- Determine your potential savings with a Tax Savings Analysis at www.myFBMC.com/customer/taxanalysis.asp.

What types of Spending Accounts are available?

Your employer offers you a MONEYPLUS Medical Spending Account as well as a Dependent Care Spending Account. If you incur both types of expenses during a plan year, you can establish both types of Spending Accounts.

Dependent Care Spending Account

Dependent care expenses, whether for a child or an elder, include any expense that allows you to work outside the home, such as:

- daycare services
- in-home care
- nursery and preschool and
- summer day camps.

More information is available on Page 16.

Medical Spending Account

Medical expenses not covered by your insurance plan may be eligible for reimbursement using your Medical Spending Account, including:

- birth control pills
- eyeglasses
- orthodontia and
- Over-the-Counter items.

Remember, if you enroll in an Health Savings Account, you can also enroll in a limited-use Medical Spending Account to pay eligible dental and vision expenses. For more information on a limited-use Medical Spending Account, refer to the MONEYPLUS Medical Spending Account section beginning on Page 12.

Receiving Reimbursement

Your Spending Accounts reimbursements will be processed within five business days from the time FBMC receives your properly completed and signed MONEYPLUS Spending Account Reimbursement Request Forms. To avoid delays, follow the instructions for submitting your requests located in the materials you will receive following enrollment. You may also elect to receive an EZ REIMBURSE® MasterCard® Card to electronically debit funds from your MONEYPLUS Medical Spending Account. See Page 14 for more information.

Direct Deposit

Enroll in Direct Deposit to speed up your reimbursement.

- Spending Account reimbursement funds are automatically deposited into your checking or savings account within 48 hours of claim approval.
- There is no fee for this service.
- You don't have to wait for postal service delivery of your reimbursement. You will receive notification that the claim has been processed.

To apply, complete the Enrollment Form available in your confirmation pack, from your benefits administrator or on www.myFBMC.com. You may also call FBMC Customer Service at 1-800-342-8017. If you are currently enrolled in Direct Deposit, you do not need to re-enroll. Please note that processing your Direct Deposit enrollment may take between four to six weeks.

How MONEYPLU\$ Spending Accounts Work

- Estimate carefully the annual amount you will spend for dependent care and eligible medical expenses.
- The annual amounts you elect to have deducted pre-tax from your paycheck will be divided into equal installments, deducted from your paycheck, then credited to your MONEYPLU\$ accounts.
- After you incur expenses during the plan year, submit documentation and/or a copy of the Explanation of Benefits (EOB), if applicable, with your MONEYPLU\$ claim form for reimbursement through your MONEYPLU\$ Spending Account.
- You may only submit a MONEYPLU\$ claim form for reimbursement through your MONEYPLU\$ Spending Account for the actual out-of-pocket expenses covered. Once FBMC receives your claim, your reimbursement request will be processed within five business days. **Medical Spending Account claims will be paid up to the amount of your yearly election. For Dependent Care Spending Accounts, checks are prepared up to the amount of your current account balance. Any excess dependent care expenses will be held in suspense and disbursed when money is available in your account.**
- You will be reimbursed for your eligible expenses through your MONEYPLU\$ Spending Account until you have exhausted your annual fund contributions or until the plan year ends.

What documentation of expenses do I need to keep?

The IRS **requires** MONEYPLU\$ Spending and Health Savings Account customers maintain complete documentation, including copies of statements or bills for reimbursed expenses.

MONEYPLU\$ Grace Period

A recent IRS Revenue Notice permits a “**grace period**” of two months and 15 days following the end of your 2008 Plan Year (December 31, 2008) for a MONEYPLU\$ Medical Spending Account. This grace period ends on March 15, 2009. **During the grace period, you may incur expenses and submit claims for these expenses.** Claims will be processed in the order in which they are received by FBMC, and your accounts will be debited accordingly. This is true for both paper claims and EZ REIMBURSE® Card transactions. If you have funds remaining in an account from the prior plan year, these funds will be used first until exhausted. Then, subsequent claims will be debited from your new plan year account balance.

Submit your claims for the 2007 Plan Year before you begin incurring expenses in the 2008 Plan Year. Documentation must be received by March 31, 2009. If you wait to submit your claims from the previous year to FBMC, they could be rejected if your account is exhausted paying claims incurred during the grace period.

You should not confuse the grace period with the plan's “**run-out period**.” The run-out period extends until March 31, 2009. This is a period for filing claims incurred anytime during the 2008 Plan Year, as well as claims incurred during the grace period mentioned above. However, this applies only to those claims paid from the prior year first.

Your Dependent Care Spending Account also has a “run-out period” that extends until March 31, 2009. The “grace period” mentioned above does not apply to this account. Dependent Care expenses that occur after December 31, 2008, may not be reimbursed from funds for the 2008 Plan Year.

MONEYPLU\$

Continued

Spending Account Guidelines:

1. The IRS does not allow you to pay your medical or other insurance premiums through either type of Spending Account. Refer to the "Written Certification" portion of the Beyond Your Benefits section of this Tax-favored Accounts Guide for more specifics.
2. You cannot transfer money between Spending Accounts or pay a dependent care expense from your Medical Spending Account or vice versa.
3. You have a 90-day run-out period (until March 31, 2009) at the end of the plan year for reimbursement of eligible Spending Account expenses incurred during your period of coverage within the 2008 Plan Year and applicable grace period (ending March 15, 2009). This grace period applies to a MONEYPLU\$ Medical Spending Account only.
4. You may not receive insurance benefits or any other compensation for expenses that are reimbursed through your Spending Accounts.
5. You cannot deduct reimbursed expenses for income tax purposes.
6. You may not be reimbursed for a service that you have not yet received.
7. Be conservative when estimating your medical and/or dependent care expenses for the 2008 Plan Year. IRS regulations state that any unused funds that remain in your Spending Account after a plan year and any grace period ends and all reimbursable requests have been submitted and processed cannot be returned to you or carried forward to the next plan year.

Will contributions affect my income taxes?

Salary reductions made under a cafeteria plan, including contributions to an Health Savings Account or to one or both Spending Accounts, will lower your taxable income and taxes. These reductions are one of the money-saving aspects of starting a MONEYPLU\$ Health Savings or Spending Account. Additional state income tax savings or credits may also be available. Your salary reductions will reduce earned income for purposes of the federal Earned Income Tax Credit (EITC).

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information.

What fees must I pay for MONEYPLU\$?

There is a \$3.50 administrative monthly fee for each Spending Account and a \$0.28 fee for the Pre-Tax Group Insurance Premium Feature. For example, if you choose to participate in the Medical and Dependent Care Spending Accounts, you will pay \$7 each month in administrative fees. All fees are deducted from pre-tax dollars. Bank fees for the Health Savings Account are explained on Page 9.

Get More Information

For additional information regarding MONEYPLU\$, refer to your Insurance Benefits Guide, which is available from your benefits administrator. You may also access MONEYPLU\$ information on the Employee Insurance Program Web site at www.eip.sc.gov.

Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your MONEYPLU\$ Medical Spending Account. Save valuable tax dollars on certain categories of OTC items, medicines and drugs, such as allergy treatments, antacids, cold remedies, first-aid supplies and pain relievers. For a more comprehensive list of eligible OTC items, see Page 15 or go to www.myFBMC.com.

You may be reimbursed for OTCs through your MONEYPLU\$ Medical Spending Account if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s)
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- the reimbursement request is for an expense allowed by your employer's MONEYPLU\$ Medical Spending Account plan and IRS regulations and
- you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

Note: OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at www.myFBMC.com. As soon as an OTC item, medicine or drug becomes eligible under any of the categories below, it will be reimbursable retroactively to the start of the current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual MONEYPLU\$ Medical Spending Account election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

MONEYPLU\$ Health Savings Account

What is a Health Savings Account?

Providing economical health care in the face of rising costs is a major issue facing the nation. In 2005, as part of an effort to meet this challenge, the Employee Insurance Program (EIP) began offering a State Health Plan Savings Plan coupled with a Health Savings Account (HSA). This option enables subscribers who are willing to take greater responsibility for their medical care expenses the opportunity to reduce their insurance premiums and save money for major medical expenses.

A Health Savings Account (HSA) is a tax-free account that can be used to pay health care expenses. Unlike money in a MONEYPLU\$ Medical Spending Account, the funds do not have to be spent in the plan year they are deposited. Money in the account, including interest, accumulates tax-free, so the funds can be used to pay qualified medical expenses in the future.¹ An important advantage of an HSA is that it is owned by the employee. If you leave your job, you can take the account with you and continue to use it for qualified medical expenses.

Who is eligible to contribute to a MONEYPLU\$ HSA?

- Employees must be covered by the State Health Plan Savings Plan, which is a high deductible health care plan.
- Employees cannot be covered by any other type of health plan, including Medicare. However, they may be covered for specific injuries, accidents, disability, dental care, vision care and long-term care.
- Participants cannot be claimed as a dependent on another person's tax return.

How much may I contribute to my HSA?

If you enroll in the MONEYPLU\$ HSA your contributions are deducted before taxes. For 2008, a subscriber with single coverage can contribute up to \$2,900 a year to an HSA. Those covering more than one family member could contribute up to \$5,800 a year. These limits, established by the federal government and subject to change, are tied to the rate of inflation. You can now enroll in an HSA during the year and make the full annual contribution, provided you are participating in the State Health Plan Savings Plan on or before December 1. The *Tax Relief and Health Care Act of 2006* allows contributions to be made up to the contribution maximum for individuals who become eligible for an HSA mid-year, so long as they continue to be an eligible individual for 12 months beginning with the last month in the year in which the individual became an eligible individual. A subscriber age 55 and older may make "catch-up" contributions to an HSA. In 2008, that subscriber can contribute \$900 above the limit.

You may also make after-tax contributions, which apply toward the maximum annual limit(s). You will receive additional information when you enroll.

How may I change my HSA contribution?

You may change the amount you contribute to your MONEYPLU\$ HSA once per month. To change your HSA contribution, contact your benefits administrator.

How do I get funds out of my HSA?

After enrolling in the HSA and completing the required Bank Signature Card form*, your contributions will be sent to the custodian, National Bank of South Carolina (NBSC), an affiliate of Synovus Financial Corp. NBSC will establish an individual account for you and mail up to two VISA® debit cards to your home address at no charge. You may order additional cards or a starter supply of checks by contacting NBSC at **1-877-367-4HSA** (4472). You may use the debit card or checks to get funds out of your HSA. If you choose to use your debit card, you will need to sign for the transaction like a credit card transaction. Remember, as long as you are taking funds out for qualified medical expenses, you pay no taxes on the funds. However, if you withdraw funds for ineligible expenses, you may have to pay taxes and penalties on those funds, unless you reimburse your HSA for the ineligible amount.

Will I be charged any banking or custodian fees?

Yes, NBSC will charge \$1 per month to your HSA. If you prefer to pay a \$10 annual fee, instead, you may contact NBSC within 60 days of account opening. (The \$1 monthly fee or \$10 annual fee can be waived with an account balance of \$2,500.) This fee includes the VISA® debit card, all transaction fees associated with the card, a supply of checks, monthly statements and other banking services. There is a \$0.35 charge to process each check you write to get funds from your HSA. NBSC will deduct these fees automatically from your HSA. Other fees may apply including fees for insufficient funds. Refer to your HSA Disclosure Statement for more information. FBMC will also charge a monthly \$1 administrative fee which will be deducted from your paycheck.

Are my HSA funds invested?

Your funds will initially be held in an interest-bearing checking account at NBSC. Synovus Securities, Inc. (SSI), an affiliate of NBSC, will provide the brokerage service. The bank can provide you with applicable interest rates for HSAs since these rates are subject to change. As your account balance grows, you may be eligible to invest your funds in other types of investments. When your HSA balance reaches \$3,500, NBSC will communicate these investment and brokerage opportunities to you.

Are there any special tax forms or tax reporting that I must complete when filing my income taxes?

After the end of the tax year, NBSC will send you tax filing information for reporting your contributions and any withdrawals or distributions from your HSA. **It is important that you save receipts, invoices and any explanations of benefits received from your health insurance carrier as documentation in case you are ever asked to show proof of qualified medical expenses to the IRS.**

* A Bank Signature Card form MUST be completed to open a Health Savings Account.

¹ Please consult your tax advisor or IRS Publication 502 with questions regarding these expenses, qualified health plans, and tax information.

MONEYPLU\$ Health Savings Account

Continued

What if I exceed the annual contribution limits established by the IRS?

FBMC will monitor your HSA contributions and send an alert to your benefits administrator and advise that you are exceeding your contribution limits. NBSC will also send courtesy notices periodically reminding you to check your account balance and ensure that you are not exceeding the allowable annual contribution limits. You may decrease or stop your contributions accordingly, but the best way to ensure that you do not exceed the annual contribution limits is to elect a per-pay-period contribution that ensures you will not exceed the annual limits. Of course, you can add the “catch-up” contribution amount to these annual limits if you are age 55 or older. The catch-up contribution for 2008 is \$900.

May I have a MONEYPLU\$ HSA and Spending Account?

Yes, subscribers may enroll in a MONEYPLU\$ limited-use Medical Spending Account to pay certain eligible expenses. The limited-use Medical Spending Account may be used to pay dental and vision expenses not covered by the Savings Plan. MONEYPLU\$ Dependent Care Spending Account eligibility is not affected by your HSA participation.

Flyers will be available with your enrollment information. Contact Fringe Benefits Management Company at 1-800-342-8017 for more information.

Remember, MONEYPLU\$ limited-use Medical Spending Accounts are available only to HSA participants. Dependent Care Spending Account eligibility is not affected by your HSA participation.

Pre-Tax Group Insurance Premium Feature

Pre-Tax Group Insurance Premium Feature

With this feature, you can pay your State Health Plan, HMO, State Dental Plan, Dental Plus and Optional Life (for coverage up to \$50,000) premiums before taxes are taken out of your paycheck. This feature is suitable for all employees since you do not have to pay taxes on the dollars you use to pay these premiums. You are enrolled automatically in this feature on the Notice of Election if you pay a health, dental, Dental Plus or Optional Life premium, unless you decline. There are special enrollment procedures if you want to participate in the spending accounts. Contact your benefits administrator for details.

If you declined the Pre-Tax Group Insurance Premium Feature in the past, you can enroll during the announced enrollment period for an effective date of January 1 of the following year. The monthly administrative fee for deducting medical, dental and Optional Life premiums before taxes is \$0.28, which is deducted from your paycheck before taxes are deducted.

Optional Life Insurance Premiums

You can pay your Optional Life insurance premiums before you pay taxes. Your entire Optional Life insurance premium will be deducted from your check before taxes. However, only premiums for coverage up to \$50,000 will be exempt from tax. Premiums paid for additional coverage amounts (more than the IRS-allowed maximum of \$50,000) will be added back to your earnings on your W-2 form at the end of the year.

MONEYPLU\$ Medical Spending Account

Minimum Annual Deposit:	NONE
Maximum Annual Deposit:	\$5,000

What is a MONEYPLU\$ Medical Spending Account?

A MONEYPLU\$ Medical Spending Account is an IRS tax-favored account you can use to pay for your eligible medical expenses not covered by your insurance or any other plan. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on Page 13.

Whose expenses are eligible?

Your MONEYPLU\$ Medical Spending Account may be used to reimburse eligible expenses incurred by:

- yourself
- your spouse
- your qualifying child or
- your qualifying relative.

An individual is a **qualifying child** if he or she is not someone else's qualifying child and:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the tax year
- is 18 years old or younger (23 years, if a full-time student) at the end of the tax year and
- has not provided more than one-half of his or her own support during the tax year.

An individual is a **qualifying relative** if he or she is a U.S. citizen, national or a resident of the U.S., Mexico or Canada and:

- has a specified family-type relationship to you, is not someone else's qualifying child and receives more than one-half of his or her support from you during the tax year or
- if no specified family-type relationship to you exists, is a member of and lives in your household (without violating local law) for the entire tax year and receives more than one-half of his or her support from you during the tax year.

There is no age requirement for a qualifying child if he or she is physically and/or mentally incapable of self-care. An eligible child of divorced parents is treated as a dependent of both, so either or both parents can have a MONEYPLU\$ Medical Spending Account.

Can travel expenses for medical care be reimbursed?

Travel expenses primarily for, and essential to, receiving medical care, including health care provider and pharmacy visits, may be reimbursable through your MONEYPLU\$ Medical Spending Account.

With proper substantiation, eligible expenses can include:

- actual round-trip mileage
- parking fees
- tolls and
- transportation to another city.

Are prescriptions eligible for reimbursement?

Yes, most filled prescriptions are eligible for MONEYPLU\$ Medical Spending Account reimbursement as long as you properly substantiate the expense. The IRS requires the complete name of all medicines and drugs be obtained and documented on pharmacy invoices (including prescription number, date(s) of service and total dollar amount). This information must be included when submitting your request to FBMC for reimbursement. Proper submission of the reimbursement request is needed to ensure that the drug is eligible for reimbursement.

Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your MONEYPLU\$ Medical Spending Account. Save valuable tax dollars on certain categories of OTC items, medicines and drugs, such as: allergy treatments, antacids, cold remedies, first-aid supplies and pain relievers. For a more comprehensive list of eligible OTC items, please visit www.myFBMC.com.

You may be reimbursed for OTCs through your MONEYPLU\$ Medical Spending Account if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s)
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug
- the reimbursement request is for an expense allowed by your employer's MONEYPLU\$ Medical Spending Account plan and IRS regulations and
- you submit your reimbursement request in a timely and complete manner already described in your benefits enrollment information.

Note: OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at www.myFBMC.com. As soon as an OTC item, medicine or drug becomes eligible under any of the categories below, it will be reimbursable retroactively to the start of that plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change in status event that would allow you to change your annual MONEYPLU\$ Medical Spending Account election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

MONEYPLU\$ Medical Spending Account

Continued

Is orthodontic treatment reimbursable?

Orthodontic treatment designed to treat a specific medical condition is reimbursable through your MONEYPLU\$ Medical Spending Account if the proper documentation is provided:

- a written statement, bill or invoice from the treating dentist/orthodontist showing the type and date the service was incurred, the name of the eligible individual receiving the service, the cost for the service and
- a copy of the patient's contract with the dentist/orthodontist for the orthodontia treatment (only required if a participant requests reimbursement for the total program cost spread over a period of time).

Reimbursement of the full or initial payment amount may only occur during the plan year in which the braces are first installed. For reimbursement options available under your employer's plan, including care that extends beyond one or more plan years, refer to the information provided following your enrollment, or call FBMC Customer Service at 1-800-342-8017.

When are my funds available?

Once you sign up for a MONEYPLU\$ Medical Spending Account and decide how much to contribute, the maximum annual amount of reimbursement for eligible health care expenses will be available throughout your period of coverage.

Since you don't have to wait for the cash to accumulate in your account, you can use it to pay for your eligible health care expenses at the start of your deductions.

Should I claim my expenses on IRS Form 1040?

With a MONEYPLU\$ Medical Spending Account, the money you set aside for health care expenses is deducted from your salary before taxes. It is always tax free, regardless of the amount. By enrolling in a MONEYPLU\$ Medical Spending Account, you guarantee your savings.

Itemizing your health care expenses on your IRS Form 1040 may give you a different tax advantage, depending on their percentage of your adjusted gross income. You should consult a tax professional to determine which option is right for you.

Are some expenses ineligible?

Expenses not eligible for reimbursement through your MONEYPLU\$ Medical Spending Account include:

- insurance premiums
- vision warranties and service contracts and
- cosmetic surgery not deemed medically necessary to alleviate, mitigate or prevent a medical condition.

When do I request reimbursement?

You may use your MONEYPLU\$ Medical Spending Account to reimburse eligible expenses after you have sought (and exhausted) all means of reimbursement provided by your employer and any other appropriate resource. Also keep in mind that some eligible expenses are reimbursable on the date provided or filled (such as a mail-order prescription), not the date ordered.

How do I request reimbursement?

Requesting reimbursement from your MONEYPLU\$ Medical Spending Account is easy. Simply mail or fax a correctly completed Reimbursement Request Form along with the following:

- an invoice or bill from your health care provider that shows the date you received the service, the cost of the service, the specific type of service and the person for whom the service was provided or
- an Explanation of Benefits (EOB)* from your health insurance provider that shows the specific type of service you received, the date and cost of the service and any uninsured portion of the cost and
- a written statement from your health care provider indicating the service was medically necessary if those services could be deemed cosmetic in nature, accompanied by the invoice or bill for the service.

Please note that canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are **not** valid documentation for MONEYPLU\$ Medical Spending Account reimbursement.

Mail to:

Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Fax TOLL-FREE to: 1-888-800-5217

* EOBs are not required if your coverage is through an HMO.

Partial List of Medically Necessary Eligible Expenses*

Acupuncture
Ambulance service
Birth control pills and devices
Chiropractic care
Contact lenses (corrective)
Dental fees
Diagnostic tests/health screening
Doctor fees
Drug addiction/alcoholism treatment
Drugs
Experimental medical treatment
Eyeglasses
Guide dogs
Hearing aids and exams
In vitro fertilization
Injections and vaccinations
Nursing services
Optometrist fees
Orthodontic treatment
Over-the-Counter items
Prescription drugs to alleviate nicotine withdrawal symptoms
Smoking cessation programs/treatments
Surgery
Transportation for medical care
Weight-loss programs/meetings
Wheelchairs
X-rays

Note: Budget conservatively. No reimbursement or refund of MONEYPLU\$ Medical Spending Account funds is available for services that do not occur within your plan year and grace period.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

EZ REIMBURSE® MasterCard® Card

The EZ REIMBURSE® MasterCard® Card is issued by MetaBank.



What is the EZ REIMBURSE® MasterCard® Card?

The EZ REIMBURSE® Card is a stored-value card. It is a convenient MONEYPLU\$ Medical Spending Account reimbursement option that allows FBMC to electronically reimburse eligible expenses under your employer's plan and IRS guidelines. Your annual MONEYPLU\$ Medical Spending Account contribution is available to you at the beginning of your plan year. When you use your EZ REIMBURSE® Card to pay for eligible expenses, funds are electronically deducted from your MONEYPLU\$ Medical Spending Account.

Important information about replacement cards!

- Some existing EZ REIMBURSE® Card participants will be receiving new cards at the end of 2007. Please check the expiration date noted on your card. If it reads "12/2007," you can expect to receive a new card. If you have not received your new card by January 1, 2008, please contact FBMC Customer Service.

What are the EZ REIMBURSE® Card advantages?

- Instant reimbursements for health care expenses, including prescriptions, co-payments and mail-order prescription services
- Instant approval of some medical, prescription, vision and dental expenses (others require documentation)
- No out-of-pocket expense and
- Easy access to your Medical Spending Account funds.

Note: You also cannot use your EZ REIMBURSE® Card for cosmetic dental expenses or eyeglass warranties.

How do I get an EZ REIMBURSE® Card?

You must elect to receive an EZ REIMBURSE® Card on your Enrollment Form when you start a MONEYPLU\$ Medical Spending Account. Two cards will be sent to you in the mail; one for you, and one for your spouse or eligible dependent. You should keep your cards to use each Plan Year until their expiration date.

What if I already have an EZ REIMBURSE® Card?

You will need to re-enroll between October 1 and October 31 to continue using the card. Unless your card is expiring at the end of the Plan Year, you will not be issued a new card; continue using the same card(s) you have.

What does it cost to use the EZ REIMBURSE® Card?

There is a \$10 non-refundable, annual fee for using the card. This amount is automatically deducted from your Medical Spending Account when your card is mailed. When you budget for your MONEYPLU\$ deductions, you should include the fee in your calculations.

When do I send in documentation for an EZ REIMBURSE® Card expense?

You must send in documentation for certain EZ REIMBURSE® Card transactions, such as those that are **not** a known office visit or prescription co-payment (as outlined in your health plan's Schedule of Benefits). Documentation for an EZ REIMBURSE® Card expense is a statement or bill showing:

- name of the patient
- name of the service provider
- date of service
- type of service (including prescription name) and
- total amount of service.

Note: This documentation must be sent with an EZ REIMBURSE® Card Transmittal Sheet and cannot be processed without it. Like all other MONEYPLU\$ documentation, you must keep your EZ REIMBURSE® Card expense documentation for a minimum of one year, and submit it to FBMC when requested. If you fail to send in the requested documentation for an EZ REIMBURSE® Card expense, you will be subject to:

- withholding of payment for an eligible paper claim to offset any outstanding EZ REIMBURSE® Card transaction
- suspension of your EZ REIMBURSE® Card privileges
- the reporting of any outstanding EZ REIMBURSE® Card transaction amounts as income on your W-2 at the end of the tax year.

How do I get information about my account?

As a MONEYPLU\$ participant, you can access your account information at any time, including any outstanding EZ REIMBURSE® Card transactions, by visiting www.myFBMC.com. Please check the Web site regularly to review your account balance and any possible outstanding EZ REIMBURSE® Card transactions. You will also receive a monthly statement from FBMC. **Your statement will include an EZ REIMBURSE® Card Transactions Requiring Documentation section. If a transaction appears in this section in blue, or as an outstanding transaction on the Web site, you should submit the proper expense documentation to FBMC as soon as possible but no later than March 31, 2009 (the end of the run-out period; see previous section).**

What agreement am I making when I use the EZ REIMBURSE® Card?

By using the card, you are agreeing to the "MONEYPLU\$ Guidelines" portion of this reference guide (see Page 8).

What happens if I have money left in my account at the end of the plan year?

Funds remaining in your Medical Spending Account at the end of the prior plan year will be used first until exhausted — through the grace period allowed by the IRS. Then, subsequent claims will be debited from your new plan year account balance. For details on the grace period, see Page 7.

Effective January 1, 2008, the EZ REIMBURSE® Card cannot be used in a grocery or retail store that is not listed on the drug store list posted at www.myFBMC.com.

OTC Category Reimbursement

Over-the-Counter Expenses

Your Over-the-Counter (OTC) items, medicines and drugs may be reimbursable through your MONEYPLUS Medical Spending Account! Except for OTC purchases at Walgreens, Wal-Mart and Sam's Club, OTC expenses must be documented — even if you use your EZ REIMBURSE® MasterCard® Card. You may be reimbursed for OTCs through your Medical Spending Account if:

- the item, medicine or drug was used for a specific medical condition for you, your spouse and/or your dependent(s);
- the submitted receipt clearly states the purchase date and name of the item, medicine or drug;
- the reimbursement request is for an expense allowed by your employer's Medical Spending Account plan and IRS regulations; and
- you submit your reimbursement request in a timely and complete manner as described in this guide.

Note: OTC items, medicines and drugs, including bulk purchases, must be used in the same plan year in which you claim reimbursement for their cost. The list of eligible OTC categories will be updated on a quarterly basis by FBMC. It is your responsibility to remain informed of updates to this listing, which can be found at www.myFBMC.com. As soon as an OTC item, medicine or drug becomes eligible under any of the categories below, it will be reimbursable retroactively to the start of the current plan year.

Newly eligible OTC items, medicines and drugs are not considered a valid change-in-status event that would allow you to change your annual Medical Spending Account election or salary reduction amount. Be sure to maintain sufficient documentation to submit receipts for reimbursement. You may resubmit a copy of your receipt from your records if a rejected OTC expense becomes eligible for reimbursement later in the same plan year.

Eligible Expense Categories

Allergy

Antihistamines
Nasal sprays

Antacids

Heartburn medicines

Cold Remedies

Cough drops
Decongestants
Nasal strips
Nasal sprays
Sinus medications
Throat lozenges

Pain Relief

Bug bite medication
Fever reducers
First aid creams (diaper, fever blister, poison ivy)
Menstrual cycle products for pain and cramp relief
Products for muscle or joint pain
Special ointments or creams for sunburn
Topical creams

Other Medical Remedy Items

Anti-diarrheals
Anti-fungals
Antibiotics
Asthma medications
Bandages, gauze pads, rubbing alcohol, liquid adhesives

Carpal tunnel wrist supports
Cold/hot packs for injuries
Corn/callus removers
Eye products (including reading glasses, contact lens cleaning solutions)
First aid kits
Hemorrhoid treatments
Laxatives
Motion sickness treatments
Nicotine gum or patches for smoking cessation purposes
Thermometers
Wart removers

Items Requiring Special Documentation

Botanicals/herbals
Feminine hygiene products
Hormones
Minerals
Nasal sprays for snoring
Sunscreens
Vitamins
Weight-loss drugs to treat a specific disease

Ineligible OTC Expenses

Cosmetics
Toiletries
OTC items primarily for general health and well-being

MONEYPLU\$ Dependent Care Spending Account

Minimum Annual Deposit: NONE
Maximum Annual Deposit: The maximum contribution depends on your tax filing status as the list at right indicates.

What is a MONEYPLU\$ Dependent Care Spending Account?

A MONEYPLU\$ Dependent Care Spending Account is an IRS tax-favored account you can use to pay for your eligible dependent care expenses to ensure your dependents (child or elder) are taken care of while you and your spouse (if married) are working outside of the home. These funds are set aside from your salary before taxes are deducted, allowing you to pay your eligible expenses tax-free. A partial list of these eligible expenses can be found on this page.

Whose expenses are eligible?

You may use your MONEYPLU\$ Dependent Care Spending Account to receive reimbursement for eligible dependent care expenses for qualifying individuals.

A qualifying individual includes a qualifying child, if he or she:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- has a specified family-type relationship to you
- lives in your household for more than half of the tax year
- is 12 years old or younger and
- has not provided more than one-half of his or her own support during the tax year.

A qualifying individual includes your spouse, if he or she:

- is physically and/or mentally incapable of self-care
- lives in your household for more than half of the tax year and
- spends at least eight hours per day in your home.

A qualifying individual includes your qualifying relative, if he or she:

- is a U.S. citizen, national or a resident of the U.S., Mexico or Canada
- is physically and/or mentally incapable of self-care
- is not someone else's qualifying child
- lives in your household for more than half of the tax year
- spends at least eight hours per day in your home and
- receives more than one-half of their support from you during the tax year.

Note: Only the custodial parent of divorced or legally-separated parents can be reimbursed using the MONEYPLU\$ Dependent Care Spending Account.

What is my maximum annual deposit?

- If you are married and filing separately, your maximum annual deposit is \$2,500.
- If you are single and head of household, your maximum annual deposit is \$5,000.
- If you are married and filing jointly, your maximum annual deposit is \$5,000.
- If either you or your spouse earn less than \$5,000 a year, your maximum annual deposit is equal to the lower of the two incomes.
- If your spouse is a full-time student or incapable of self-care, your maximum annual deposit is \$3,000 a year for one dependent and \$5,000 a year for two or more dependents.

When are my funds available?

Once you sign up for a MONEYPLU\$ Dependent Care Spending Account and decide how much to contribute, the funds available to you depend on the actual funds in your account. Unlike a Medical Spending Account, the entire maximum annual amount is not available during the plan year, but rather after your payroll deductions are received.

Should I claim tax credits or exclusions?

Since money set aside in your MONEYPLU\$ Dependent Care Spending Account is always tax-free, you guarantee savings by paying your eligible expenses through your IRS tax-favored account. Depending on the amount of income taxes you are required to pay, participation in a MONEYPLU\$ Dependent Care Spending Account may produce a greater tax benefit than claiming tax credits or exclusions alone.

Remember, you cannot use the dependent care tax credit if you are married and filing separately. Also, any dependent care expenses reimbursed through your MONEYPLU\$ Dependent Care Spending Account cannot be filed for the dependent care tax credit, and vice versa.

To help you choose between the available taxable and tax-free benefits, or a combination of both, consult your tax adviser and/or the IRS for additional information. You may also visit www.myFBMC.com to complete a Tax Savings Analysis.

Partial List of Eligible Expenses*

After school care
Baby-sitting fees
Daycare services
In-home care/au pair services
Nursery and preschool
Summer day camps

Note: Budget conservatively. No reimbursement or refund of MONEYPLU\$ Dependent Care Spending Account funds is available for services that do not occur within your plan year.

* IRS-qualified expenses are subject to federal regulatory change at any time during a tax year. Certain other substantiation requirements and restrictions may apply, and will be supplied to you following enrollment.

MONEYPLU\$ Dependent Care Spending Account

Continued

Are some expenses ineligible?

Expenses not eligible for reimbursement through your MONEYPLU\$ Dependent Care Spending Account include:

- books and supplies
- child support payments or child care if you are a non-custodial parent
- health care or educational tuition costs and
- services provided by your dependent, your spouse's dependent or your child who is under age 19.

Will I need to keep any additional documentation?

To claim the income exclusion for dependent care expenses on IRS Form 2441 (Child and Dependent Care Expenses), you must be able to identify your dependent care provider. If your dependent care is provided by an individual, you will need his or her Social Security Number for identification, unless he or she is a resident or non-resident alien who does not have a Social Security Number. If your dependent care is provided by an establishment, you will need its Taxpayer Identification Number.

If you are unable to obtain a dependent care provider's information, you must compose a written statement that explains the circumstances and states that you made a serious and earnest effort to get the information. This statement must accompany your IRS Form 2441.

When do I request reimbursement?

You can request reimbursement from your MONEYPLU\$ Dependent Care Spending Account as often as you like. However, your approved expense will not be reimbursed until the last date of service for which you are requesting reimbursement has passed. Also, to process your reimbursement, you must have funds in your account.

How do I request reimbursement?

Requesting reimbursement from your MONEYPLU\$ Dependent Care Spending Account is easy. Simply mail or fax a correctly completed MONEYPLU\$ Reimbursement Request Form along with documentation showing the following:

- the name, age and grade of the dependent receiving the service
- the cost of the service
- the name and address of the provider (including SSN or Tax Identification Number) and
- the beginning and ending dates of the service.

Be certain you obtain and submit the above information when requesting reimbursement from your MONEYPLU\$ Dependent Care Spending Account. This information is required with each request for reimbursement. Canceled checks or credit card receipts (or copies) listing the cost of eligible expenses are not valid documentation for MONEYPLU\$ Dependent Care Spending Account reimbursement.

Mail to: Contract Administrator
Fringe Benefits Management Company
P.O. Box 1800
Tallahassee, FL 32302-1800

Fax TOLL-FREE to: 1-888-800-5217

Note: If you elect to participate in the MONEYPLU\$ Dependent Care Spending Account, or if you file for the Dependent Care Tax Credit, you must attach IRS Form 2441, reflecting the information above, to your 1040 income tax return. Failure to do this may result in the IRS denying your pre-tax exclusion.

Be certain you obtain and submit all needed information when requesting reimbursement from your Dependent Care Account. This information is required with each request for reimbursement.

A properly completed request will help speed up your reimbursement, allowing you to receive your check or Direct Deposit promptly.

MONEYPLU\$ Worksheets

To figure out how much to deposit in your MONEYPLU\$ accounts, refer to the following worksheets. Calculate the amount you expect to pay during the plan year for eligible, uninsured out-of-pocket medical and/or dependent care expenses. This calculated amount cannot exceed established IRS and plan limits. (Refer to the individual MONEYPLU\$ descriptions in this guide for limits.)

Be conservative in your estimates, since any money remaining in your accounts cannot be returned to you or carried forward to the next plan year.

MEDICAL SPENDING ACCOUNT WORKSHEET

Estimate your eligible, uninsured out-of-pocket medical expenses for the plan year.

UNINSURED MEDICAL EXPENSES

Health insurance deductibles \$ _____

Coinsurance or co-payments \$ _____

Vision care \$ _____

Dental care \$ _____

Prescription drugs \$ _____

Travel costs for medical care \$ _____

Other eligible expenses \$ _____

SUBTOTAL \$ _____

EZ REIMBURSE® MasterCard® Card annual, non-refundable \$10 fee \$ _____

DIVIDE by the number of paychecks you will receive during the plan year.* \$ _____

This is your per-pay-period contribution. \$ _____

* If you are retiring or are enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year. To participate in the MONEYPLU\$ Medical Spending Account, you must have completed one year of continuous state service by January 1 following an enrollment period. See Page 5 for details.

DEPENDENT CARE SPENDING ACCOUNT WORKSHEET

Estimate your eligible dependent care expenses for the plan year. Remember that your calculated amount cannot exceed the calendar year limits established by the IRS.

CHILD CARE EXPENSES

Daycare services \$ _____

In-home care/au pair services \$ _____

Nursery and preschool \$ _____

After school care \$ _____

Summer day camps \$ _____

ELDER CARE SERVICES

Daycare center \$ _____

In-home care \$ _____

SUBTOTAL—Remember, your total contribution cannot exceed IRS limits for the plan year and calendar year. \$ _____

DIVIDE by the number of paychecks you will receive during the plan year.* \$ _____

This is your per-pay-period contribution. \$ _____

* If you are retiring or are enrolling after the plan year begins, divide by the number of pay periods remaining in the plan year.

At your request, your MONEYPLU\$ reimbursement checks may be deposited into your checking or savings account by enrolling in Direct Deposit.

Please remember to include all applicable fees to your MONEYPLU\$ Medical Spending Account contribution if you plan to use your EZ REIMBURSE® Card.

Changing Your Coverage

Am I permitted to make mid-plan-year election changes?

Under some circumstances, your employer's plan(s) and the IRS may permit you to make a mid-plan-year election change to your MONEYPLU\$ election, or vary a salary reduction amount, depending on the qualifying event and requested change.

How do I make a change?

You can change your MONEYPLU\$ Account election(s), or vary the salary reduction amounts you have selected during the plan year, only under limited circumstances as provided by your employer's plan(s) and established IRS guidelines. Partial lists of permitted and prohibited qualifying events under your employer's plan(s) appear on the following page. Election changes must be consistent with the event. Your employer will, at its sole discretion, review on a uniform and consistent basis, the facts and circumstances of each properly completed and timely submitted mid-plan-year election change form.

To Make a Change: Within **31 days** of an event that is consistent with one of the events on the following page, you must complete and submit a **Change in Status/Election Form** to your employer. The form can be downloaded from www.eip.sc.gov. Once you have filled out the form, return the form with documentation of the event to your benefits administrator, and he or she will sign the form and forward it to FBMC. Documentation supporting your election change request is required. Upon the approval and completion of processing your election change request, your existing MONEYPLU\$ elections will be stopped or modified (as appropriate). Generally, mid-plan-year, pre-tax election changes can be made no earlier than the first payroll after your election change request has been received by your employer, unless otherwise provided by law. If your MONEYPLU\$ election change request is denied, you will have **31 days**, from the date you receive the denial, to file an appeal with your employer. For more information, refer to the "Appeal Process" section on Page 5.

What is my Period of Coverage?

Your period of coverage for incurring expenses is your full plan year, unless you make a permitted mid-plan-year election change. For a MONEYPLU\$ Medical Spending Account, a mid-plan-year election change will result in split periods of coverage, creating more than one period of coverage within a plan year with expenses reimbursed from the appropriate period of coverage. Money from a previous period of coverage can be combined with amounts after a permitted mid-plan-year election change. However, expenses incurred before the permitted election change can only be reimbursed from the amount of the balance present in the MONEYPLU\$ Medical Spending Account prior to the change. Mid-plan-year election changes are approved only if the extenuating circumstances and supporting documentation are within your employer's MONEYPLU\$ Medical Spending Account plan and the IRS regulations governing the plan.

Split periods of coverage do not apply to MONEYPLU\$ Dependent Care Spending Accounts.

What are the IRS Special Consistency Rules governing Changes in Status?

1. **Loss of Dependent Eligibility**— If a change in your marital or employment status decreases or ends your spouse's or dependent's eligibility for coverage due to: your divorce or annulment from your spouse, your spouse's or dependent's death or a dependent ceasing to satisfy eligibility requirements, you may decrease or cancel coverage only for the individual involved. You cannot decrease or cancel any other individual's coverage under these circumstances.
2. **Gain of Coverage Eligibility Under Another Employer's Plan**— If you, your spouse or your dependent gains eligibility for coverage under another employer's plan as a result of a change in marital or employment status, you may cease or decrease that individual's coverage if that individual gains coverage, or has coverage increased under the other employer's plan.
3. **Dependent Care Expenses**— You may change or terminate your MONEYPLU\$ Dependent Care Spending Account election when a Change in Status (CIS) event affects (i) eligibility for coverage under an employer's plan, or (ii) eligibility of dependent care expenses for the tax exclusion available under Internal Revenue Code § 129.

Changing Your Coverage

Continued

Changes in Status:	
Marital Status	A change in marital status includes marriage, death of a spouse, divorce or annulment (legal separation is not recognized in all states).
Change in Number of Tax Dependents	A change in number of dependents includes the following: birth, death, adoption and placement for adoption. You can add existing dependents not previously enrolled whenever a dependent gains eligibility as a result of a valid CIS event.
Change in Status of Employment Affecting Coverage Eligibility	Change in employment status of the employee, or a spouse or dependent of the employee, that affects the individual's eligibility under an employer's plan includes commencement or termination of employment.
Gain or Loss of Dependents' Eligibility Status	An event that causes an employee's dependent to satisfy or cease to satisfy coverage requirements under an employer's plan may include change in age, student, marital, employment or tax dependent status.
Change in Residence[†]	A change in the place of residence of the employee, spouse or dependent that affects eligibility to be covered under an employer's plan includes moving out of an HMO service area.

Some Other Permitted Changes	
Coverage and Cost Changes*	Your employer's plans may permit election changes due to cost or coverage changes. You may make a corresponding election change to your MONEYPLUS Dependent Care Spending Account benefit whenever you actually switch dependent care providers. However, if a relative (who is related by blood or marriage) provides custodial care for your eligible dependent, you cannot change your salary reduction amount solely on a desire to increase or decrease the amount being paid to that relative.
Open Enrollment Under Other Employer's Plan*	You may make an election change when your spouse or dependent makes an Open Enrollment Change in coverage under his or her employer's plan if they participate in their employer's plan and: <ul style="list-style-type: none"> • the other employer's plan has a different period of coverage (usually a plan year) or • the other employer's plan permits mid-plan-year election changes under this event.
Judgment/Decree/Order[†]	If a judgment, decree or order from a divorce, legal separation (if recognized by state law), annulment or change in legal custody requires that you provide accident or health coverage for your dependent child (including a foster child who is your dependent), you may change your election to provide coverage for the dependent child. If the order requires that another individual (including your spouse and former spouse) covers the dependent child and provides coverage under that individual's plan, you may change your election to revoke coverage only for that dependent child and only if the other individual actually provides the coverage.
Medicare/Medicaid[†]	Gain or loss of Medicare/Medicaid coverage may trigger a permitted election change.
Health Insurance Portability and Accountability Act of 1996 (HIPAA)	If your employer's group health plan(s) are subject to HIPAA's special enrollment provision, the IRS regulations regarding HIPAA's special enrollment rights provide that an IRC § 125 cafeteria plan may permit you to change a salary reduction election to pay for the extra cost for group health coverage, on a pre-tax basis, effective retroactive to the date of the CIS event, if you enroll your new dependent within 30 days of one of the following CIS events: birth, adoption or placement for adoption. Note that a MONEYPLUS Medical Spending Account is not subject to HIPAA's special enrollment provisions if it is funded solely by employee contributions.
Family and Medical Leave Act (FMLA) Leave of Absence	Election changes may be made under the special rules relating to changes in elections by employees taking FMLA leave. Contact your employer for additional information.

* Does not apply to a MONEYPLUS Medical Spending Account plan.

† Does not apply to a MONEYPLUS Dependent Care Spending Account plan.

Important Continuation Coverage Information

What is continuation coverage?

Federal law requires that most group health plans, including MONEYPLUS Medical Spending Accounts, give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. “Qualified beneficiaries” can include the employee covered under the group health plan, a covered employee’s spouse and dependent children of the covered employee.

Each qualified beneficiary who elects continuation coverage will have the same rights under the plan as other participants or beneficiaries covered under the plan, including special enrollment rights. Specific information describing continuation coverage can be found in the summary plan description (SPD), which can be obtained from your employer.

How long will continuation coverage last?

For Group Health Plans (Except Medical Spending Accounts):

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage may be continued for up to 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s enrollment in Medicare or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to 36 months.

Continuation coverage will be terminated before the end of the maximum period if any required premium is not paid on time, if a qualified beneficiary becomes covered under another group health plan that does not impose any pre-existing condition exclusion for the qualified beneficiary, if a covered employee enrolls in Medicare, or if the employer ceases to provide any group health plan for its employees. Continuation coverage may also be terminated for any reason the plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

For MONEYPLUS Medical Spending Accounts:

If you fund your MONEYPLUS Medical Spending Account entirely, you may continue your Medical Spending Account (on a post-tax basis) only for the remainder of the plan year in which your qualifying event occurs, if you have not already received, as reimbursement, the maximum benefit available under the Medical Spending Account for the year. For example, if you elected a Medical Spending Account benefit of \$1,000 for the plan year and have received only \$200 in reimbursement, you may continue your Medical Spending Account for the remainder of the plan year or until such time that you receive the maximum Medical Spending Account benefit of \$1,000.

How can you extend the length of continuation coverage?

For Group Health Plans (Except Medical Spending Accounts):

If you elect continuation coverage, an extension of the maximum period of 18 months of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify your employer of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries are disabled. The Social Security Administration (SSA) must determine that the qualified beneficiary was disabled at some time during the first 60 days of continuation coverage, and **you must notify your employer of that fact within 60 days of the SSA’s determination and before the end of the first 18 months of continuation coverage.** All qualified beneficiaries who have elected continuation coverage and qualify will be entitled to the 11-month disability extension. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify your employer of that fact within 30 days of SSA’s determination.

Second Qualifying Event

An 18-month extension of coverage will be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage, resulting in a maximum amount of continuation coverage of 36 months. Such second qualifying events include the death of a covered employee, divorce or separation from the covered employee or a dependent child’s ceasing to be eligible for coverage as a dependent under the Plan. **You must notify your employer within 60 days after a second qualifying event occurs.**

How can you elect continuation coverage?

Each qualified beneficiary has an independent right to elect continuation coverage. For example, both the employee and the employee’s spouse, or only one of them, may elect continuation coverage. Parents may elect to continue coverage on behalf of their dependent children only. A qualified beneficiary must elect coverage by the date specified on the COBRA Election Form. Failure to do so will result in loss of the right to elect continuation coverage under the Plan. A qualified beneficiary may change a prior rejection of continuation coverage any time until that date.

You should take into account that a failure to continue your group health coverage will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 62-day gap in health coverage, and election of continuation coverage may help you not have such a gap. Second, you will lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get continuation coverage for the maximum time available to you. Finally, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse’s employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

COBRA Q&A

Continued

How much does continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. This amount may not exceed 102 percent of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage (or, in the case of an extension of continuation coverage due to a disability, 150 percent). For MONEYPLUS Medical Spending Account, the cost for continuation of coverage is a monthly amount calculated and based on the amount you were paying via pre-tax salary reductions before the qualifying event.

When and how must payments for continuation coverage be made?

First Payment for Continuation Coverage

If you elect continuation coverage, you do not have to send any payment for continuation coverage with the COBRA Election Form. However, you must make your first payment for continuation coverage within 45 days after the date of your election. (This is the date the Election Notice is postmarked, if mailed.) If you do not make your first payment for continuation coverage within that 45 days, you will lose all continuation coverage rights under the plan.

Your first payment must cover the cost of continuation coverage from the time your coverage under the plan would have otherwise terminated up to the time you make the first payment. You are responsible for making sure that the amount of your first payment is enough to cover this entire period. You may contact FBMC to confirm the correct amount of your first payment. Instructions for sending your first payment for continuation coverage will be shown on your COBRA Election Notice/Form.

Periodic Payments for Continuation Coverage

After you make your first payment for continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the plan, these periodic payments for continuation coverage are due on the first day of each month. Instructions for sending your periodic payments for continuation coverage will be shown on your COBRA Election Notice/Form.

Grace Periods for Periodic Payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. If you pay a periodic payment later than its due date but during its grace period, your coverage under the plan will be suspended as of the due date and then retroactively reinstated (going back to the due date) when the periodic payment is made. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to continuation coverage under the plan.

Keep Your Address Updated

In order to protect your family's rights, you should keep your employer and FBMC informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to your employer and FBMC.

Can you elect other health coverage besides continuation coverage?

If you are retiring, you may have the right to elect alternative retiree group health coverage instead of the COBRA continuation coverage described in this notice. If you elect this alternative coverage, you will lose all rights to the COBRA continuation coverage described in the COBRA notice. You should also note that if you enroll in the alternative group health coverage, you lose your right under federal law to purchase individual health insurance that does not impose any pre-existing condition limitations when your alternative group health coverage ends. You must contact your employer if you wish to elect alternative coverage.

If your group health plan offers conversion privileges, you have the right, when your group health coverage ends, to enroll in an individual health insurance policy, without providing proof of insurability. The benefits provided under such an individual conversion policy may not be identical to those provided under the plan. You may exercise this right in lieu of electing COBRA continuation coverage, or you may exercise this right after you have received the maximum COBRA continuation coverage available to you. You should note that if you enroll in an individual conversion policy, you lose your right under federal law to purchase individual health insurance that does not impose any pre-existing condition limitations when your conversion policy coverage ends.

For more information

This COBRA Q&A section does not fully describe continuation coverage or other rights under the plan. More information about continuation coverage and your rights under the plan is available from your employer. You can get a copy of your summary plan description from your employer or FBMC.

For more information about your COBRA rights, the Health Insurance Portability and Accountability Act (HIPAA) and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA Web site at www.dol.gov/ebsa.

Beyond Your Benefits

Social Security

Social Security consists of two tax components: the FICA or OASDI component (the tax for old-age, survivors' and disability insurance) and the Medicare component. A separate maximum wage to which the tax is assessed applies to both tax components. There is no maximum taxable annual wage for Medicare. The maximum taxable annual wage for FICA is subject to federal regulatory change. If your annual salary after salary reduction is below the maximum wage cap for FICA, you are reducing the amount of taxes you pay and your Social Security benefits may be reduced at retirement time.

However, the tax savings realized through MONEYPLU\$ generally outweigh the Social Security reduction. A calculator is available on FBMC's Web site, www.myFBMC.com. You may also call FBMC Customer Service at 1-800-342-8017 for an approximation.

Notice of Administrator's Capacity

PLEASE READ: This notice advises MONEYPLU\$ Account participants of the identity and relationship between your employer and its Contract Administrator, Fringe Benefits Management Company (FBMC). FBMC is not an insurance company. FBMC has been authorized by your employer to provide administrative services for the MONEYPLU\$ plans offered herein. FBMC will process claims for reimbursement promptly. In the event there are delays in claims processing, you will have no greater rights in interest or other remedies against FBMC than would otherwise be afforded to you by law.

Disclaimer - Health Insurance Benefits Provided Under Health Insurance Plan(s)

Health Insurance benefits will be provided not by your Employer's MONEYPLU\$ Plan, but by the Health Insurance Plan(s). The types and amounts of health insurance benefits available under the Health Insurance Plan(s), the requirements for participating in the Health Insurance Plan(s) and the other terms and conditions of coverage and benefits of the Health Insurance Plan(s) are set forth from time to time in the Health Insurance Plan(s). All claims to receive benefits under the Health Insurance Plan(s) shall be subject to and governed by the terms and conditions of the Health Insurance Plan(s) and the rules, regulations, policies and procedures from time to time adopted.

FBMC Privacy Notice 4/14/03

This notice applies to products administered by Fringe Benefits Management Company and its wholly-owned subsidiaries (collectively "FBMC"). FBMC takes your privacy very seriously. As a provider of products and services that involve compiling personal — and sometimes, sensitive — information, protecting the confidentiality of that information has been, and will continue to be, a top priority of FBMC. This notice explains how FBMC handles and protects the personal information we collect. Please note that the information we collect and the extent to which we use it will vary depending on the product or service involved. In many cases, we may not collect all of the types of information noted below. FBMC's privacy policy is as follows:

I. We collect only the customer information necessary to consistently deliver responsive services. FBMC collects information that helps serve your needs, provide high standards of customer service and fulfill legal and regulatory requirements. The sources and types of information collected generally varies depending on the products or services you request and may include:

- Information provided on enrollment and related forms - for example, name, age, address, Social Security Number, e-mail address, annual income, health history, marital status and spousal and beneficiary information.
- Responses from you and others, such as information relating to your employment and insurance coverage.
- Information about your relationships with us, such as products and services purchased, transaction history, claims history and premiums.
- Information from hospitals, doctors, laboratories and other companies about your health condition, used to process claims and prevent fraud.

II. Under HIPAA, you have certain rights with respect to your protected health information. You have rights to see and copy the information, receive an accounting of certain disclosures of the information and, under certain circumstances, amend the information. You also have the right to file a complaint with the Plan in care of FBMC's Privacy Officer or with the Secretary of the U.S. Department of Health and Human Services if you believe your rights under HIPAA have been violated.

Additional information that describes how medical information about you may be used and disclosed and how you can get access to this information is provided electronically on our Web site: www.myFBMC.com. You have a right to a paper copy at any time. Contact FBMC Customer Service at 1-800-342-8017.

III. We maintain safeguards to ensure information security. We are committed to preventing unauthorized access to personal information. We maintain physical, electronic and procedural safeguards for protecting personal information. We restrict access to personal information to those employees, insurance companies and service providers who need to know that information to provide products or services to you. Any employee who violates our Privacy Policy is subject to disciplinary action.

IV. We limit how, and with whom, we share customer information. We do not sell lists of our customers, and under no circumstances do we share personal health information for marketing purposes. With the following exceptions, we will not disclose your personal information without your written authorization. We may share your personal information with insurance companies with whom you are applying for coverage, or to whom you are submitting a claim. We also may disclose personal information as permitted or required by law or regulation. For example, we may disclose information to comply with an inquiry by a government agency or regulator, in response to a subpoena or to prevent fraud.

We will provide our Privacy Notice to current customers annually and whenever it changes. If you no longer have a customer relationship with us, we will still treat your information under our Privacy Policy, but we will no longer send notices to you. In this notice of our Privacy Policy, the words "you" and "customer" are used to mean any individual who obtains or has obtained an insurance, financial product or service from FBMC that is to be used primarily for personal or family purposes

Written Certification

When enrolling in MONEYPLU\$, written notice of agreement with the following will be required:

- I will use only my MONEYPLU\$ account to pay for IRS-qualified expenses and only for my IRS-eligible dependents
- I will exhaust all other sources of reimbursement, including those provided under my employer's plan(s) before seeking reimbursement from my MONEYPLU\$ account
- I will not seek reimbursement through any additional source and
- I will collect and maintain sufficient documentation to validate the foregoing.



Contract Administrator
Fringe Benefits Management Company
P.O. Box 1878 • Tallahassee, Florida 32302-1878
Customer Service 1-800-342-8017 • 1-800-955-8771 (TDD)
www.myFBMC.com

Information contained herein does not constitute an insurance
certificate or policy.